



CITY OF HOUSTON

Finance and Administration
Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Judy Gray Johnson, Director
Finance and Administration

Date: November 4, 2005

**Subject: SEPTEMBER MONTHLY FINANCIAL
AND OPERATIONS REPORT**

Attached is the Monthly Financial and Operations Report for the period ending September 30, 2005.

General Fund Revenues

- Our projection for FY06 General Fund revenues is \$6.3 million less than projected last month.
- The approved tax rate of \$0.6475 caused a decrease in Property Tax Revenue of \$2.6 million.
- We are decreasing our projection for Charges for Services by \$887 thousand based on lower than expected Parking revenue.
- We are also decreasing our projection for Municipal Courts Fines and Forfeits by \$2.9 million reflecting lower than budgeted ticket issuance.

General Fund Expenditures

- Our projection for FY06 General Fund expenditures is approximately \$2.5 million higher than last month.
- Building Services is projected to be approximately \$4 million over budget as a result of a projected increase in electricity costs due to the increase in the price of natural gas.
- Municipal Courts Administration is projected to be \$900 thousand over budget due to a lower than budgeted vacancy rate and higher overtime from the implementation of the ICMS system.
- The projection for savings resulting from the waste disposal contract amendments has been reduced from \$2.2 million down to \$790,000. As the \$2.2 million had previously

been transferred to a contingency fund within General Government, Solid Waste will be showing a \$1.4 million deficit until such time that the difference is transferred back.

- Police department expenditures are projected to be \$2.6 million lower than last month due to a reduction in projected expenditures for health benefits and various other accounts related to personnel.
- In General Government, we are projecting savings of \$1.2 million related to the refinancing of the Houston Emergency Center (HEC) lease.

General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of \$114.3 million, which is slightly less than 8.3% of estimated expenditures less debt service.

Combined Utility System Fund

- Personnel costs are projected to be approximately \$11.3 million lower than budgeted based on year-to-date vacancy factors.
- Expenditures for Contracts and Other Payments are projected to be \$4.5 million lower than budgeted due to net revised projections for several contracts.
- Expenditures for CIP Salary Recovery are projected to be approximately \$1.8 million lower than budgeted.
- Payments to the Houston Area Water Corporation (HAWC) are projected to be approximately \$3.7 million lower than budgeted as the HAWC has residual bond proceeds and will not require the full payment from the CUS.
- Expenditures for supplies are projected to be \$1.2 million higher than budgeted due to the rising cost of chemicals.
- Discretionary Debt is projected to be \$3.9 million higher than budgeted due to payments on the collateralized pension obligation note.

Convention & Entertainment Facilities Operating Fund

The Convention & Entertainment is projecting a net decrease in revenues of \$269 thousand, consisting of a decrease of \$569 thousand for lost conventions and an increase of \$300 thousand in Interest.

KATRINA AID & RECOVERY FUND

City of Houston officials and staff continue to dedicate considerable time and effort toward working with FEMA to fund expenditures Houston has incurred as a result of Hurricane Katrina. Approximately \$15 million expenditures have been incurred to date and approximately \$40 million in funding has been received from FEMA and other sources (slightly more than \$39 million from FEMA and slightly more than \$1 million from donations and other sources).

Please let me know if you have any questions.


Judy Gray Johnson, Director